

# EXECUTIVE DIRECTOR'S REPORT TO THE BUDGET COMMITTEE September 2018



# BUDGET COMMITTEE TASKS

At this meeting the Budget Committee needs to:

- Review status of funding and expenditures for 2018
- Consider a preliminary draft 2019 budget
- Recommend priorities for a provisional 2019 budget to be adopted in November\*
- Consider cash flow needs and contingencies for various funding levels
- Begin planning for 2020-2024 Grant application



\* COP 9: Council Staff prepares for consideration by the Budget Committee a proposed preliminary annual budget for Council operations which documents all major aspects of the Council's fiscal affairs and identifies balances, performance obligations, potential amounts and sources of current and future fiscal year funding, current and projected costs of activities, and addresses multi-year cash-flow needs, staffing stability and other contingencies while generally associating higher priority Council activities with secure funding sources.

# CY 2018 Funding and Budget Summary

Source of Funds or Designated Use	Dollars	Comments
<b>New CY 2018 Funds</b>		
Base and Ongoing Soft Funds:		
Received (12/12/17)	\$672,173	PPA Base Funds
Received (4/17/18)	\$691,308	PPA Base Funds
Received (5/25/18)	\$990,000	PPA Base Funds
Received (7/12/18)	\$1,236,260	PPA Base Funds
Received (7/12/18)	\$679,877	MPS Funds
Received (7/12/18)	\$146,750	MPS Funds (New- Regulatory Reform)
<b>Total</b>	<b><u>\$4,416,368</u></b>	
Designated Supplemental Funding Received or Expected as of August 31		
ISC funded travel through SWFSC	\$5,000	Received (5/14/18)
Fishery Ecosystem Plan Initiatives	\$138,472	<i>addl - \$47K requested for 2019</i>
5 Year Catch Share Review	\$125,000	Received (7/12/18)
Status on 2017 Supplemental Funding Received		
National SCS		<i>Received 125K</i>
Intersector Quota Pound Trading		<i>Received 125K</i>
Swordfish Management		<i>Received 59K</i>
Annual Catch Limits Implementation and Flexibility		<i>Received 149K</i>
Essential Fish Habitat and Rockfish Conservation Area		<i>Received 150K</i>
<b>Subtotal New Funds</b>	<b><u>\$4,684,840</u></b>	
<b>Remaining Funds from 2017</b>	<b><u>\$3,232,152</u></b>	
(Including Special Projects/Funds not utilized in prior year.)		
<b>Total Funds (On hand)</b>	<b>\$7,916,992</b>	<i>No additional funds expected</i>



# CY 2018 Funding and Budget Summary

## CY 2018 OPERATIONAL BUDGET

Item	Dollars	Comments
<b>CY 2018 Operational Budget</b>	<u>\$4,947,154</u>	Adopted June 2018
<b>Projected Delayed Spending Account at Year End 2018</b>	\$2,969,837	Includes funding for projects continuing in 2019



# EXPENDITURES FOR CY 2018 THROUGH JULY

Category	Total Budget 2018	Expenditures (Including SCS) thru 7/31/18	% of Total Budget	Expenditures Remaining
Staff Wages & Benefits	\$ 2,245,243	\$ 1,236,189	55%	\$ 1,009,054
Travel	\$ 1,028,145	\$ 555,185	54%	\$ 472,960
Supplies & Services	\$ 683,456	\$ 325,628	48%	\$ 357,828
Contractual				
Council Member Compensation	\$ 244,694	\$ 135,678	55%	\$ 109,016
Advisory Body Stipends	\$ 69,499		0%	\$ 69,499
Liaison & Pln (State, PSMFC, Other)	\$ 676,117	\$ 105,362	16%	\$ 570,755
<b>Total 2018</b>	<b>4,947,154</b>	<b>\$ 2,358,042</b>	<b>48%</b>	<b>\$ 2,589,112</b>

## Detail of State and PSMFC Liaison and Planning, and Other Contractual for 2018

Contract	2018 Budget	Billed thru 7/31/18	Balance Remaining
Alaska - Liaison & Planning	\$ 22,527	\$ -	\$ 22,527
California - Liaison & Planning	\$ 134,152	\$ -	\$ 134,152
Idaho - Liaison & Planning	\$ 40,587	\$ 24,782	\$ 15,805
Oregon - Liaison & Planning	\$ 139,240	\$ 13,197	\$ 126,043
Washington-Liaison & Planning	\$ 131,524	\$ -	\$ 131,524
PSMFC-Liaison & Planning	\$ 43,337	\$ 21,983	\$ 21,354
Subtotal	\$ 511,367	\$ 59,962	\$ 451,405
Other Contractual (e.g., GF Spx, Sal, IQ)	\$ 164,750	\$ 45,400	\$ 119,350
<b>Grand Total</b>	<b>\$ 676,117</b>	<b>\$ 105,362</b>	<b>\$ 570,755</b>



# 2019 Budget Planning

- September - Identify Priorities
  - COP 9: Council Staff prepares for consideration by the Budget Committee a proposed preliminary annual budget for Council operations which documents all major aspects of the Council's fiscal affairs and identifies balances, performance obligations, potential amounts and sources of current and future fiscal year funding, current and projected costs of activities, and addresses multi-year cash-flow needs, staffing stability and other contingencies while generally associating higher priority Council activities with secure funding sources.
- November - Adopt Provisional 2019 Budget
  - COP 9: Budget Committee modifies/approves the proposed preliminary budget and forwards recommendations to the Council for approval and provisional use beginning January 1 of the next year.



# Funding for Routine Activities and Ongoing Priorities

- Council Commissions Line Item
  - 2015 - \$32,700,000 Enacted
  - 2016 - \$33,470,000 Enacted
  - 2017 - \$34,245,000 Enacted
  - 2018 - \$35,871,000 Enacted, but all increase to Commissions
  - 2019 - \$34,495,000 - Presidents proposed, \$176,000 Council Increase
    - \$37,000,000 - House Mark: 3% increase
    - \$40,175,000 - Senate Mark: 12% increase to be applied equally
  - CR resolved by Dec. 2018
- PFMC Base PPA and Management Programs & Services (Ongoing Soft)
  - 2015 - \$4,096,000
  - 2016 - \$4,200,000
  - 2017 - \$4,280,000
  - 2018 - \$4,416,000
  - 2019 ~ ?3-12% increase in PPA, MPS?



# 2018 Regional Council Funding

## FY 2018 Council Funding

NMFS Funding Source (\$ in Thousands)	FY2017 Spend Plan	FY2018 Spend Plan	New England	Mid- Atlantic	South Atlantic	Gulf of Mexico	Caribbean	North Pacific	Pacific	Western Pacific
Regional Council PPA	\$24,497	\$24,462	\$3,584	\$3,107	\$2,630	\$3,168	\$1,676	\$3,828	\$3,590	\$2,880
Fisheries Management Programs and Services										
National Environmental Policy Act	\$756	\$756	\$111	\$96	\$81	\$98	\$52	\$118	\$111	\$89
ACL Implementation	\$1,678	\$1,678	\$246	\$213	\$180	\$217	\$115	\$263	\$246	\$198
Regulatory Streamlining Program	\$792	\$758	\$111	\$96	\$81	\$98	\$52	\$119	\$111	\$89
SSC Stipends	\$474	\$474	\$69	\$60	\$51	\$61	\$32	\$74	\$69	\$56
Council Peer Review	\$474	\$474	\$71	\$0	\$118	\$0	\$0	\$0	\$142	\$142
Deregulation/Reg Reform	-	\$1,000	\$147	\$127	\$108	\$130	\$69	\$157	\$147	\$118
Fisheries Data Collections, Surveys, and Assessments										
Expand Annual Stock Assessments	\$512	\$512	\$0	\$0	\$482	\$30	\$0	\$0	\$0	\$0
<b>FY 2018 Spend Plan*</b>		<b>\$30,112</b>	<b>\$4,338</b>	<b>\$3,699</b>	<b>\$3,731</b>	<b>\$3,802</b>	<b>\$1,995</b>	<b>\$4,558</b>	<b>\$4,416</b>	<b>\$3,572</b>
<b>FY 2017 Spend Plan</b>	<b>\$29,181</b>		<b>\$4,202</b>	<b>\$3,581</b>	<b>\$3,631</b>	<b>\$3,681</b>	<b>\$1,931</b>	<b>\$4,413</b>	<b>\$4,280</b>	<b>\$3,462</b>

\*Columns may not add due to rounding





# Staff Proposed Preliminary 2019 Budget

Category	Total Operational 2018*	Preliminary Proposed 2019	% increase decrease
Staff Wages & Benefits	\$ 2,245,243	\$ 2,340,933	4.3%
Travel	\$ 980,235	\$ 1,073,439	9.5%
Supplies & Services	\$ 606,366	\$ 624,886	3.1%
Contractual			
Council Member Compensation	\$ 244,694	\$ 250,551	2.4%
Advisory Body Stipends (2018)	\$ 69,499	\$ 69,499	0.0%
Liaison & Plan (State, PSMFC, Other)**	\$ 676,117	\$ 575,298	-14.9%
<b>Total</b>	<b>\$ 4,822,154</b>	<b>\$ 4,934,606</b>	<b>2.3%</b>

\*without SCS Budget

## Detail of State and PSMFC Liaison and Planning, and Other Contractual\*\*

Contract	2018* Budget	2019 Budget	
Alaska - Liaison & Planning	\$ 22,527		
California - Liaison & Planning	\$ 134,152	\$ 133,822	-0.2%
Idaho - Liaison & Planning	\$ 40,587	\$ 42,850	5.6%
Oregon - Liaison & Planning	\$ 139,240	\$ 139,750	0.4%
Washington-Liaison & Planning	\$ 131,524	\$ 131,524	0.0%
PSMFC-Liaison & Planning	\$ 43,337	\$ 42,352	-2.3%
Subtotal	\$ 511,367	\$ 490,298	-4.1%
Other Contractual (e.g., GF Spx, CPS, IQ)	\$ 164,750	\$ 85,000	-48.4%
<b>Grand Total</b>	<b>\$ 676,117</b>	<b>\$ 575,298</b>	<b>-14.9%</b>

\*\* Base liaison and special project only.



# Liaison Contracts - Current Practices

- 2015-2019 Grant seeks to increase liaison contract funding
  - “Increased funding requests ... are a result of increases in PSMFC and state contracts to offset inflationary expenses and enhanced participation in the Council processes”
- Special Project funds include liaison contract money since 2015
  - Formula based on Council floor time (YAG), 2015 base contract rate (\$60/hr), and meeting days for CM, MT, SSC, HC, EWG, etc.
    - +\$21,480 in 2018
- Multi-year Special Project contract funds (usually) put into one year’s budget for simplicity



# LIAISON CONTRACT HISTORY

Year	California			Oregon			Washington			Idaho			PSMFC			Alaska
	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base	Special	% Special	Base
2009	138,212	-	0%	119,140	-	0%	119,140	-	0%	22,527	-	0%	31,537	-	0%	22,527
2010	138,212	123,067	47%	119,140	123,067	51%	119,140	123,067	51%	22,527	45,067	67%	31,537	23,463	43%	22,527
2011	138,212	123,067	47%	119,140	123,067	51%	119,140	123,067	51%	22,527	45,067	67%	31,537	23,463	43%	22,527
2012	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2013	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2014	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2015	153,212	-	0%	134,140	-	0%	134,140	-	0%	37,527	-	0%	41,537	-	0%	22,527
2016	153,212	12,479	8%	134,140	12,479	9%	134,140	12,479	9%	37,527	5,287	12%	41,537	-	0%	22,527
2017	153,212	-	0%	134,140	7,384	5%	134,140	7,384	5%	37,527	-	0%	41,537	-	0%	22,527
2018	153,212	5,940	4%	134,140	5,100	4%	134,140	5,580	4%	37,527	3,060	8%	41,537	1,800	4%	-

	FEP	Carryover	GFIFQ	Total
CA	3,600.00	1,260.00	1,080.00	5,940.00
ID	1,080.00	900.00	1,080.00	3,060.00
OR	3,240.00	1,260.00	600.00	5,100.00
WA	3,240.00	1,260.00	1,080.00	5,580.00
PSMFC	720.00	540.00	540.00	1,800.00
	<b>11,880.00</b>	<b>5,220.00</b>	<b>4,380.00</b>	<b>21,480.00</b>

← 2018 Special Project detail



# Liaison Contracts - New Proposals

- ADFG will forego 2018 and future contracts due to lack of participation.
  - Option 1: Redistribute \$22,527 in equal amounts (\$7,509) to WA, OR, CA base contracts beginning in 2019
  - Option 2: Redistribute based on number of Council participants per liaison
    - 1 Council member, 5-6 MT, 1 SSC, 1 HC, 1 EWG: CA has 10 =  $10/35$  of \$22,527 = \$6,436
- Review policy if ADFG wants back in:

“In the event someone is identified, we [ADFG] will try to find other funds to support the participation.”



# Liaison Contracts - New Proposals

- Base Funding Option 1: Change base contracts proportional to regulatory participation
  - +\$136,527 (3.2%) for PPA/MPS in 2018 \* \$523,083 base liaison = \$16,622
  - CDFW: 1 Council member, 2 GMT, 1 STT, 2 CPSMT, 1 HMSMT = 7 participants
  - ODFW = 6; WDFW = 6; IDFG = 1; PSMFC = 1 for a total of 21
  - $\$16,622 \div 21 = \$797$  per participant: CDFW = 7 \* \$797 = \$5,579
- Base Funding Option 2: Change base contracts proportional to Council's PPA and MPS funding
  - 3.2% for PPA/MPS in 2018 \* \$523,083 base liaison funds = \$16,622
  - Same 3.2% increase in 2019 for each liaison base contract (4 states and PSMFC)

• Nice as long as we are in a steady or upward trend for PPA/MPS



# Liaison Contracts - New Proposals

- Special Project funds liaison contract formula
  - Change base contract rate (\$60/hr) to \$86/hr based on average 2018 hourly rates in contracts (total contract amount ÷ hours billed)
  - Multi-year Special Project contract funds put into budget as awarded
    - e.g., 2019 SaMTAAC = 42% of 2018-2020 proposal (\$125K award of \$295K budget) - see below



# 2019-2020 Cash Flow Needs

- 2019 is the final year of 2015-2019 grant
- Will apply for 1-year no-cost extension into 2020
- Must spend remaining 2015-2019 funds in 2020 on continuing projects
  - Special Projects Funds: Catch Share Review Follow-on, FEP Initiatives
  - New Special Projects (see below)
  - PPA/MPS funds: Amendments etc. started in 15-19
  - Not for routine functions: GF Spex, SAFE documents
- Will look for ways to spend down delayed spending account in 2019
  - Staff retreat in December rather than January
  - Equipment purchases
  - Website update

Timing of new funds less of an issue than in past with 1<sup>st</sup> award in Dec-Jan recently instead of April-Aug

- Hopefully trend continues through 1<sup>st</sup> year of new grant



# MEDIUM TERM CASH FLOW NEEDS

**What is the effect of static baseline funding w/o special project funding on the delayed spending account through time?**

	2016	2017	2018	2019	2020	2021	2022	2023
Total budget	\$4,831,268	\$ 4,742,753	\$ 4,891,103	\$ 4,934,606	\$ 4,980,647	\$ 5,080,260	\$ 5,181,865	\$ 5,335,772
Actual or assumed income								
Base/reliable soft funding	\$4,199,863	\$4,279,841	\$4,279,841	\$4,279,841	\$4,279,841	\$4,279,841	\$4,279,841	\$4,279,841
Special Project Supplemental Funding	\$788,466	\$ 571,625	\$ 246,914		\$ -	\$ -	\$ -	\$ -
SCS-6 (National SSC Meeting)			\$ 125,000					
Funds from the DSA needed	\$0	\$0	\$364,348	\$654,765	\$700,806	\$800,419	\$902,024	\$1,055,931
Year end budget surplus/deficit Actual	\$545,202	\$ 328,385	\$ 239,348	\$654,765	\$700,806	\$800,419	\$902,024	\$1,055,931
Year-end Delayed Spending Account balance	\$2,696,813	\$3,133,911	\$2,769,563	\$2,114,798	\$1,413,992	\$613,574	(\$288,450)	(\$1,344,381)

	2016	2017	2018	2019	2020	2021	2022	2023
Total budget	\$4,831,268	\$ 4,742,753	\$ 4,947,154	\$ 4,934,606	\$ 4,941,104	\$ 5,039,926	\$ 5,140,725	\$ 5,293,410
Actual or assumed income								
Base/reliable soft funding	\$4,199,863	\$4,279,841	\$4,416,368	\$4,416,368	\$4,416,368	\$4,416,368	\$4,416,368	\$4,416,368
Special Project Supplemental Funding	\$788,466	\$ 571,625	\$ 268,472		\$ -	\$ -	\$ -	\$ -
SCS-6 (National SSC Meeting)		\$125,000						
Funds from the DSA needed	\$0	\$0	\$262,314	\$518,238	\$524,736	\$623,558	\$724,357	\$877,042
Year end budget surplus/deficit Actual	\$545,202	\$ 328,385	\$ 262,314	\$518,238	\$524,736	\$623,558	\$724,357	\$877,042
Year-end Delayed Spending Account balance	\$2,696,813	\$3,258,911	\$2,996,597	\$2,478,359	\$1,953,623	\$1,330,064	\$605,707	(\$271,335)





# MEDIUM TERM CASH FLOW NEEDS

## What is the effect of a 3% increase PPA funding in 2019 w/o special project funding on the delayed spending account?

	2016	2017	2018	2019	2020	2021	2022	2023
Total budget	\$4,831,268	\$ 4,742,753	\$ 4,947,154	\$ 4,934,606	\$ 4,941,104	\$ 5,039,926	\$ 5,140,725	\$ 5,293,410
Actual or assumed income								
Base/reliable soft funding	\$4,199,863	\$4,279,841	\$4,416,368	\$4,524,068	\$4,524,068	\$4,524,068	\$4,524,068	\$4,524,068
Special Project Supplemental Funding	\$788,466	\$ 571,625	\$ 268,472		\$ -	\$ -	\$ -	\$ -
SCS-6 (National SSC Meeting)		\$125,000						
Funds from the DSA needed	\$0	\$0	\$262,314	\$410,538	\$417,036	\$515,858	\$616,657	\$769,342
Year end budget surplus/deficit Actual	\$545,202	\$ 328,385	\$ 262,314	\$410,538	\$417,036	\$515,858	\$616,657	\$769,342
Year-end Delayed Spending Account balance	\$2,696,813	\$3,258,911	\$2,996,597	\$2,586,059	\$2,169,023	\$1,653,164	\$1,036,507	\$267,165

## What is the effect of a 12% increase PPA funding in 2019 w/o special project funding on the delayed spending account?

	2016	2017	2018	2019	2020	2021	2022	2023
Total budget	\$4,831,268	\$ 4,742,753	\$ 4,947,154	\$ 4,934,606	\$ 4,941,104	\$ 5,039,926	\$ 5,140,725	\$ 5,293,410
Actual or assumed income								
Base/reliable soft funding	\$4,199,863	\$4,279,841	\$4,416,368	\$4,847,168	\$4,847,168	\$4,847,168	\$4,847,168	\$4,847,168
Special Project Supplemental Funding	\$788,466	\$ 571,625	\$ 268,472		\$ -	\$ -	\$ -	\$ -
SCS-6 (National SSC Meeting)		\$125,000						
Funds from the DSA needed	\$0	\$0	\$262,314	\$87,438	\$93,936	\$192,758	\$293,557	\$446,242
Year end budget surplus/deficit Actual	\$545,202	\$ 328,385	\$ 262,314	\$87,438	\$93,936	\$192,758	\$293,557	\$446,242
Year-end Delayed Spending Account balance	\$2,696,813	\$3,258,911	\$2,996,597	\$2,909,159	\$2,815,223	\$2,622,464	\$2,328,907	\$1,882,665



# Potential 2019 Special Project Proposals\*

- Sablefish MSE - including stock assessment, SaMTAAC
- Year Around Midwater Trawl
- Recreational Groundfish Discard Survival Rates
- Catch Share Review SaMTACC - \$295 through 2020
  - \$125K received in 2018
- 40-10 Salmon Management Line
- SONCC Coho Harvest Control Rule - \$151K through 2020
- KRFC/SRFC Stock Status Assessments - \$236K through 2020
- Swordfish MSE
- Shallow Set Longline Amendment - \$227K through 2020
- Sardine MSE
- CPS Stock Assessment Prioritization Process
- FEP 5-Year Review
- Potential Allocation Review(s)
- Scoping Council Role in Offshore Aquaculture Development

\* All red text very preliminary. Several of these will require partnerships or coordination with the Region, Science Centers, or other agencies so it will be important to begin discussions with them about their interest and capacity to collaborate in some of these items.



# 2019 Priorities

## PACIFIC FISHERY MANAGEMENT COUNCIL Swordfish Management and Monitoring Plan

**DRAFT**

September 2018

- Year-At-A-Glance
- Groundfish Workload Priorities - Omnibus
- Swordfish Management and Monitoring Plan

	November 1-15, 2018 (San Diego)	March 5-15, 2019 (Magnuson)	April 5-15, 2019 (Portland, OR)	June 18-25, 2019 (San Diego)	September 11-18, 2019 (Boise)
<b>CPA</b>	NMFS Report EFP Notice of Intent for 2019 Notice of Intent from Council Notice of Intent from Council Draft Stock Assessment Prioritization Stocks Amend. 17 - Live Bait Allowance - PPA		NMFS Report EFP Final Approval for 2019 Baseline Assessment & Management Measures Final Method Rev - Final Topics SSCA Management Goals	Pacific Habitat Assessment & Biennial Management Measures	
<b>Groundfish</b>	NMFS Report Inseason Management In-Winter Yield Set-Asides for 2019 Methodology Rev. Planning (COP2) Final Trade Selection ESA Salmon Migration Meas. - Scoping Gear Switching & Sablefish Area Management Report D-IV: Catch Share Review On PPA Cost Recovery Report Amend. 23 EFHCA Regulatory Clearing & Comment on Draft EIS ESA Migration Meas. for Seabirds OCA Revisions - PPA/PPA	Inseason Management ESA Salmon Migration Meas. - PPA ESA Salmon Migration Meas. - PPA Writing Treaty Implementation Flexibility in ACL Management ESA Migration Meas. for Seabirds - PPA OCA Revisions - PPA	NMFS Report Inseason Management Sci. Info. & Meth. Rev. Report Cost Recovery Endangered Species Workgroup Report 2021-2022 Harvest Specifications & Management Measures Planning Gear Switching & Sablefish Area Management Circulus - Follow On	NMFS Report Inseason Management Adopt Stock Assessments 2021-2022 Harvest Specifications & Management Measures Planning Flexibility in ACL Management Reported PPA	NMFS Report Inseason Management Adopt Stock Assessments Stock Assessment Methodology Rev. CP Year Science Improvements Initial Actions for 2021-2022 Spec. Science Improvements & Assessment Methods Review (19)
<b>HSA</b>	NMFS Report International Issues Amendment Authorizing SS-Longline Fishery - Scoping Biennial Mgmt Measure Changes SOC & Ref. Pla. Preliminary Action NMFS Rpt Method Rev. Final Approval 2019 Inseason Mgmt Goals Preliminary Review Plans	NMFS Report Amendment Authorizing SS-Longline Fishery - HCA Biennial Mgmt Measure Changes SOC & Ref. Pla. Final Action NMFS Rpt Approve Salmon Review (SAFE) Forecast SOC & ACL 2019 Season Setting (4)	NMFS Report International Issues EFPs - Preliminary Review EFPs - Final Recommendations EFPs - Final Recommendations	NMFS Report International Issues Amendment Authorizing SS-Longline Fishery - PPA CO Performance Metrics Review	NMFS Report International Issues Amendment Authorizing SS-Longline Fishery - PPA
<b>Salmon</b>	NMFS Rpt Method Rev. Final Approval 2019 Inseason Mgmt Goals Preliminary Review Plans	NMFS Rpt Approve Salmon Review (SAFE) Forecast SOC & ACL 2019 Season Setting (4)	2019 Method Rev. - Identify Topics 2019 Season Setting (4)		Method Rev. Adopt Priorities
<b>Coastal</b>	NMFS Rpt Method Rev. Final Approval 2019 Inseason Mgmt Goals Preliminary Review Plans	NMFS Rpt Approve Salmon Review (SAFE) Forecast SOC & ACL 2019 Season Setting (4)	2019 Method Rev. - Identify Topics 2019 Season Setting (4)		Method Rev. Adopt Priorities
<b>Other</b>	NMFS Rpt Method Rev. Final Approval 2019 Inseason Mgmt Goals Preliminary Review Plans	NMFS Rpt Approve Salmon Review (SAFE) Forecast SOC & ACL 2019 Season Setting (4)	2019 Method Rev. - Identify Topics 2019 Season Setting (4)		Method Rev. Adopt Priorities

### Groundfish Workload Priorities

#### 2018 ACTIVE PROJECTS<sup>a, b</sup>

Litigation Response (10)	ESA Salmon & Seabird Consultation (20)	EFH + RCA Modifications (32)	Inseason Management (27)
Catch Share Review Follow-On Actions <sup>c</sup>	2019-2020 Biennial Harvest Specifications and Mgt. Measures, Incl. EFPs	Stock Assessment Review Process for 2019-2020 Biennium	Final Stock Assessment Plan & TORs
Coastwide Nonwhiting/Midwater Trawl EFP Gear Modification EFP Gear Switching and Trawl Sablefish Area Management	Methodology Review Topic Selection	Flexibility in ACL Management Response <sup>d</sup>	Science Improvements & Assessment Methods Review (19)

#### PROJECTS TENTATIVELY SCHEDULED FOR 2019<sup>a, b</sup>

Stock Assessment Review for 2021-2022 Biennium

#### UNSCHEDULED PROJECTS<sup>a, b</sup>

Nearshore Management Issues (37) Rebuilding Revision Rules (43) Stock Complexes (44) Ecosystem Port Sampling Initiative - White Paper and Proposal (45) Develop Criteria for Distributing ADP QP (42) Aggregate Non-whiting QS Control Limits and Individual Species Weightings	Ecosystem Component Species (46) 60 Mile Bank RCA Lines (48) Routeshore Rockfish GCAs (49) Sablefish Conversion Factors (50) Permit Size Endorsements (51) Seabird Avoidance - Vessels <55 Feet (52) Year-Round Whiting Season and Other Season Date Modifications (57)	RCA adjustments for Pot Vessels (53) Carryover when Management Units Chase (61) Recreational Discard Survival Rates (69) Linecod S. of 40°10' Trawl Non-Trawl Alloc. Mid-Biennium ACL Ad. (71) Trawl Non-trawl Allocations Trawl Gear Regulations Update II (59)	Habitat Retention S. of Pt. Chehalis (68) 50 ft Depth Restriction (70) Allow Between Sector Trading of Quota Pounds (quota species except whiting) (54, 55) LE Fixed Gear Sablefish Issues (38) Carryover of At-Sea Set Asides
--	---	--	--

a Numbers in parentheses reference items identified via Omnibus Workload Planning. See Agenda Item G. 6.a, Attachment 2, June 2016 for a complete description of each measure.  
b Bolded items are considered core MSA responsibility tasks. Shaded items are in progress or planned for work pending funding.  
c Includes at-sea on-board management, individual species vessel quota pound (QP) limit for black gill rockfish, daily vessel QP limit, post season QP trading and relief from annual QP limit, elimination of Sept. 1 implementation of QP, catch-proc area (CP) sector accumulation limit, and data collection on CP and quota share (QS) owner.  
d Includes a multi-year approach for determining overfishing and ABC/ACL carryover as well as increase in QP carryover.

Agenda Item H.6  
Attachment 1  
September 2018

## 1 Introduction

The Pacific Fishery Management Council (Council) manages targeting of swordfish on the West Coast under its Fishery Management Plan for West Coast Fisheries for Highly Migratory Species (HMS FMP). A variety of gears are being used to catch swordfish on the West Coast (i.e., swordfish fishery), including large drift gillnet (DGN), harpoon, pelagic longline, and deep-set buoy gear (DSBG) (See Appendix A). Pelagic longline gear cannot be used within the U.S. Exclusive Economic Zone (EEZ) of the West Coast (three to 200 nautical miles) and shallow-set longline fishing (SSLL) to target swordfish cannot be conducted both east and west of 150 degrees W. longitude. However, there is a general interest in exploring use of pelagic longline gear on the West Coast. Bycatch<sup>1</sup> of non-target finfish species and incidental take of protected species while targeting swordfish remains an ongoing concern for the Council because protected species, including whales, dolphins, pinnipeds (e.g., seals, sea lions), sea turtles, and seabirds have special status under Federal statutes. Therefore, the Council is required to monitor these fisheries, and reduce or minimize bycatch of these animals to the extent practicable.

Under the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA), various mitigation measures that substantially reduced bycatch of protected species were instituted; however, there has also been a coincidental decline in participation in these fisheries, resulting in a decline in landings as well. In addition, West Coast fishery participants are testing other gears (e.g. DSBG) to target swordfish with minimal bycatch. These topics motivated the Council to consider the swordfish fishery with a more holistic approach. Therefore, in 2015, the Council developed a draft Swordfish Management and Monitoring Plan (SMMP) to articulate the Council's vision and future actions for the West Coast swordfish fishery as a subplan under the Council's HMS FMP.

## 2 Purpose of the Plan

This SMMP serves as a guide for the Council to manage the West Coast swordfish fishery based on four fishery management goals:

1. Reduce protected species bycatch to the extent practicable in the swordfish fishery through mitigation, gear innovation, and individual accountability.
2. Reduce unmarketable and prohibited finfish catch to the extent practicable in the swordfish fishery through mitigation, gear innovation, and individual accountability.
3. Support the economic viability of the swordfish fishery so that it can meet demand for a fresh, high quality, locally-caught product and reduce reliance on imported seafood.
4. Promote and support a wide range of harvest strategies for swordfish off the West Coast.

<sup>1</sup> The Magnuson-Stevens Act includes a definition of bycatch as fish that are discarded (not sold or kept for personal use). The Act defines "fish" broadly to cover all forms of marine life except marine mammals and seabirds. The term "take" is used in protected species statutes to refer to interactions which may or may not be lethal. For simplicity, the term bycatch will be used in this SMMP more broadly than the MSA to refer to the capture and release of all forms of marine life, including marine mammals and seabirds.



# SSC Workload - Proposed Workshops and SSC Subcommittee Meetings for 2018 and 2019

Workshop/Meeting	Proposed Dates	Species/Component Location	Workshop/Meeting	Proposed Dates	Species/Component Location
1. 2018 Workshop Review	May 7-9	San Diego, CA	2. 2018 Workshop Review	May 7-9	San Diego, CA
3. Salmon Subcommittees	May 7-9	San Diego, CA	4. Salmon Subcommittees	May 7-9	San Diego, CA
5. 2019 Workshop Review	May 7-9	San Diego, CA	6. 2019 Workshop Review	May 7-9	San Diego, CA
7. 2019 Workshop Review	May 7-9	San Diego, CA	8. 2019 Workshop Review	May 7-9	San Diego, CA
9. 2019 Workshop Review	May 7-9	San Diego, CA	10. 2019 Workshop Review	May 7-9	San Diego, CA

# Grant Cycle Updates

- 2020-2024 Application Process
  - Applications due in August 2019
  - Council Approval in June 2019
  - Draft Application for March or April BC Meeting
  
- 2015-2019 Grant
  - 1-Year no-cost extension for 15-19 grant submission November 2019
  - Proposal part of 20-24 grant planning



# Council Staff Recommendations

- Provide guidance for developing a draft Provisional 2019 Budget for consideration at the November Council meeting
  - Identify priorities for routine and special projects
  - Recommend changes to liaison contract budget strategies
- Start Thinking About Longer-term Priorities for the Next Grant Cycle
  - Guidance at the March or April 2019 meeting



# BUDGET COMMITTEE DISCUSSION AND RECOMMENDATIONS

